

**DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**

**COMMAND AUDIT OF THE  
ALTURAS AREA**



**FINAL REPORT**

**AUGUST 18, 2010**

**M e m o r a n d u m**

Date: August 18, 2010

To: Office of the Commissioner  
Attention: Commissioner J. A. Farrow

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**  
Office of Inspector General

File No.: 010.13424.A13471

Subject: FINAL 2009 COMMAND AUDIT REPORT OF THE ALTURAS AREA

In accordance with the Institute of Internal Auditors, *International Standards for the Professional Practice of Internal Auditing* §2440, issued by the Institute of Internal Auditors, Government Code §13887(a)(2), and the California Highway Patrol (CHP) Audit Charter, I am issuing the 2009 Command Audit Report of the Alturas Area. The audit focused on the command's Driving Under the Influence and Asset Forfeiture Programs.

The audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would ensure it is operating in compliance with policies and procedures. We have included our specific findings, recommendations, and other pertinent information in the report. The Alturas Area agreed with all of the findings and plans to take corrective action to improve its operations.

The Alturas Area will be required to provide a 30 day, 60 day, six month, and one year response on its corrective action plan implementation. If identified issues are resolved and addressed during any phase of the above reporting period, no future action is required on their behalf. Also, the Office of Inspector General plans on conducting a follow-up review within one year from the date of the final report.

Additionally, in accordance with the *International Standards for the Professional Practice of Internal Auditing* and Government Code §13887(a)(2), this report, the response, and any follow-up documentation is intended for the Office of the Commissioner; Office of Assistant Commissioner, Field; Office of Inspector General; Office of Legal Affairs; Northern Division; and the Alturas Area. Please note this report restriction is not meant to limit distribution of the report, which is a matter of public record pursuant to Government Code §6250 et seq.

In accordance with the Governor's Executive Order S-20-09 to increase government transparency, the final audit report, including the response to the draft audit report, will be posted

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on the CHP's internet website, and on the Office of the Governor's webpage, located on the State's Government website.

The Office of Inspector General would like to thank the Alturas Area management team and their staff for their cooperation during the audit. If you need further information, please contact Captain Bob Jones at (916) 843-3160.

  
E. SANCHEZ, Captain  
Interim Inspector General

cc: Office of Assistant Commissioner, Field  
Northern Division  
Alturas Area  
Office of Legal Affairs  
Office of Inspector General, Audits Unit

*BUSINESS, TRANSPORTATION AND HOUSING AGENCY*

*DEPARTMENT OF CALIFORNIA HIGHWAY PATROL*

*COMMAND AUDIT OF THE ALTURAS AREA*

*OFFICE OF INSPECTOR GENERAL*

*AUGUST 18, 2010*

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# EXECUTIVE SUMMARY

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The Commissioner has the responsibility, by statute, to enforce laws regulating the operation of vehicles and use of highways in the State of California and to provide the highest level of safety, service, and security to the people of California. Consistent with the California Highway Patrol's (CHP) 2009 Audit Plan, the Office of the Commissioner directed the Office of Inspector General, Audits Unit, to perform an audit of the Alturas Area.

The CHP's 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to improve the efficiency and/or effectiveness of departmental operations.

The objective of the audit is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs. Additionally, this audit will provide managers with reasonable, but not absolute, assurance that departmental operations are being properly executed. The audit period was from January 1, 2008 through August 31, 2009. The audit included a review of existing policies and procedures, as well as examining and testing of recorded transactions to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from September 28 - 29, 2009.

Sample selection for this audit was primarily random. However, if a judgmental sample was necessary, the auditor selected accordingly. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

Based on the review of the Alturas Area's operations, this audit revealed the Alturas Area has complied with most operational policies. However, some issues were observed. The following is a summary of the identified issues:

## **Asset Forfeiture Program**

- The command did not maintain their Memorandums of Understanding with local allied law enforcement agencies.

## **DUI Cost Recovery Program**

- The command did not prepare CHP 415, Daily Field Record documents properly related to the DUI Cost Recovery Program.
- The command did not always ensure the accuracy of their DUI Cost Recovery Program documents.
- The command did not always submit CHP 735, Incident Response Reimbursement Statement billing packages to Fiscal Management Section in a timely manner.



Please refer to the Findings and Recommendations section for detailed information.

# AUDIT REPORT

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## INTRODUCTION

To ensure the California Highway Patrol's (CHP) operation is efficient and/or effective and internal controls are in place and operational, the Office of the Commissioner directed the Office of Inspector General, Audits Unit, to perform an audit of the Alturas Area.

The CHP's 2008-2010 Strategic Plan highlights the mission statement which includes five broad strategic goals designed to guide the CHP's direction. One strategic goal is to continuously look for ways to improve the efficiency and/or effectiveness of departmental operations. This audit will assist the CHP in meeting its goal.

## OBJECTIVE AND SCOPE

The objective of the audit is to determine if the command has complied with operational policies and procedures regarding the Driving Under the Influence (DUI) Cost Recovery and Asset Forfeiture Programs that provide managers with reasonable, but not absolute, assurance departmental operations are being properly executed. The audit period was from January 1, 2008 through August 31, 2009. This audit included the review of existing policies and procedures, as well as examining and testing recorded transactions to determine compliance with established policies, procedures, and good business practices. The audit field work was conducted from September 28 - 29, 2009.

## METHODOLOGY

Under the direction of the Office of the Commissioner, each command was randomly selected to be audited regarding its DUI Cost Recovery and Asset Forfeiture Programs. Sample selection of areas to be audited were primarily random or judgmental. Whenever possible, the use of risk assessment was used to select a sample containing the highest probability of risk to the command.

There were no prior audit reports or findings of this command.

## OVERVIEW

**Asset Forfeiture Program:** The command was compliant with state laws and most departmental policies and has adequate internal controls related to their Asset Forfeiture Program. However, the command did not maintain their Memorandums of Understanding with local allied law enforcement agencies.

**DUI Cost Recovery Program:** The command was compliant with most state laws and departmental policies and has adequate internal controls related to their DUI Cost Recovery

Program. However, the command did not prepare CHP 415, Daily Field Record documents properly for the DUI Cost Recovery Program; did not always ensure the accuracy of their DUI Cost Recovery Program documents; and did not always submit CHP 735, Incident Response Reimbursement Statement billing packages to Fiscal Management Section in a timely manner.

This audit revealed the command has adequate operations, nevertheless issues were discovered, which if left unchecked could have a negative impact on the command and CHP operations. These issues should be addressed by management to maintain the command's compliance with appropriate laws, regulations, policies, and procedures. The issues and appropriate recommendations are presented in this report.

As a result of changing conditions and the degree of compliance with policies and procedures, the efficiency and effectiveness of operations change over time. Specific limitations may hinder the efficiency and effectiveness of an otherwise adequate operation include, but are not limited to, resource constraints, faulty judgments, unintentional errors, circumvention by collusion, fraud, and management overrides. Establishing compliant and safe operations and sound internal controls would prevent or reduce these limitations; moreover, an audit may not always detect these limitations.



# FINDINGS AND RECOMMENDATIONS

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## ASSET FORFEITURE PROGRAM

**FINDING 1:**            **The command did not maintain their Memorandums of Understanding (MOU) with local allied law enforcement agencies.**

**Condition:**            The command maintains a MOU with local allied law enforcement agencies within the Modoc County Interagency Narcotics Task Force (MCINTF); however, the command has not reviewed the MOU on an annual basis. The MCINTF MOU signed in June 2006 was not reviewed by February 1<sup>st</sup> of each year in calendar years 2007 and 2008. Moreover, the MCINTF was re-negotiated and signed by all parties in August 2008, and again in January 2009. The current MOU (January 2009) does not contain a provision for cash handling procedures.

**Criteria:**            Highway Patrol Manual (HPM) 81.5, Drug Programs Manual, Chapter 2, Asset Forfeiture Program, paragraph 4 states,

“4. MEMORANDUM OF UNDERSTANDING.

a. Area commanders should develop appropriate Memorandums of Understanding (MOUs) with all allied law enforcement agencies and/or NTFs within their geographical jurisdictions for cases involving asset seizures and drug arrests initiated by CHP personnel not assigned to an NTF. This requirement can be satisfied by establishing separate MOUs with individual agencies and/or with multiple agencies via county chiefs of police associations or the local NTF. A sample MOU is contained in Annexes 2-B-1 through 2-B-3. This sample may not be adequate for every Area; conversely, it may be too detailed for some circumstances. However, at a minimum, MOUs shall address the allied agency's/NTF's minimum criteria for being called out to drug arrests, cash handling procedures, and asset forfeiture equitable share distributions.

b. Annual Review. Area AFCs shall review their respective MOUs annually in order to ensure the agreements are current. Area AFCs shall forward copies of renewed MOUs to their Division no later than February 1 of each year. Divisions shall forward copies to FSS no later than March 1. For MOUs not requiring renewal, the Area AFC shall sign and date the MOU on the signature page with the notation “Reviewed - no changes required.

c. Change of Command. When there is a change of command within the CHP, it is not necessary to renew asset forfeiture MOUs currently in effect unless the incoming commander wishes to make changes to an existing MOU. When there is a change of command within an allied agency/NTF, the MOU should be renegotiated with the new commander.

d. Distribution. Two copies of newly established or revised MOUs shall be forwarded to the Division AFC. The Division AFC shall forward a copy to FSS.”

**Recommendation:** The command should update and maintain MOUs on an annual basis.

### **DRIVING UNDER THE INFLUENCE (DUI) COST RECOVERY PROGRAM**

**FINDING 2:** **The command did not prepare CHP 415, Daily Field Record documents properly for the DUI Cost Recovery Program.**

**Condition:** From a population universe of 24 CHP 735 documents and corresponding CHP documents, all 24 CHP 735s and their corresponding CHP 415 documents were selected for testing. In all instances (100 percent), the CHP 415 did not record the court case number.

**Criteria:** Government Code (GC) Section 13403(a)(3), (4), and (6) articulates the elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to, the following: A system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures; an established system of practices to be followed in performance of duties and functions in each of the state agencies; and an effective system of internal review.

HPM 11.1, Administrative Procedures Manual, Chapter 20, Driving Under the Influence (DUI) Cost Recovery Program, paragraph 4.e.(2)(c) states,

“(c) The number of staff hours charged on the CHP 735, Incident Response Reimbursement Statement, must agree with the appropriate CHP 415, Daily Field Record. Area offices must be able to verify the hours claimed on the CHP 735, Incident Response Reimbursement Statement, when offenders challenge the hours billed. If an Area office cannot substantiate the hours billed, the Department cannot recover incident costs. In order to reconcile the hours, please ensure the following information is included:

1 Offender’s name and court case number shall be included on the CHP 415, Daily Field Record.

2 When time recorded under a specific category (e.g., Accident Investigation, Partner Assist, Response Time) on the CHP 415, Daily Field Record, includes more than one activity, indicate the billable DUI time in the Notes portion on the CHP 415, Daily Field Record.”

**Recommendation:** The command should prepare CHP 415 documents properly to comply with departmental policy for the DUI Cost Recovery Program.

**FINDING 3:** **The command did not always ensure the accuracy of their DUI Cost Recovery Program documents.**

**Condition:** From a population universe of 25 CHP 735 documents and corresponding CHP 415 documents, all 25 CHP 735s and their corresponding CHP 415s were selected for testing. In 19 (79 percent) CHP 735 documents tested, one or more components of the CHP 735 document were not completed or completed incorrectly. The following summarizes the issues observed:

A. In 19 CHP 735 documents, the document did not contain the court case number.

B. In one CHP 735 document, the document had both the Section A and Section B portion completed.

C. In one CHP 735 document, the document listed an incorrect hourly billing rate.

**Criteria:** GC Section 13403(a)(3), (4), and (6) articulates the elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to, the following: A system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures; an established system of practices to be followed in performance of duties and functions in each of the state agencies; and an effective system of internal review.

HPM 11.1, Administrative Procedures Manual, Chapter 20, Driving Under the Influence (DUI) Cost Recovery Program, paragraphs 4 b., c., d., e., f., g., h., and i. states,

“b. Completion of CHP 735, Incident Response Reimbursement Statement. The cost recovery criterion is separated into two separate sections on the CHP 735, Incident Response Reimbursement Statement: Section A or Section B. Section A shall be completed when the billing is based on arrest. Section B shall be completed when the billing is based on conviction. Forward only those forms which meet ALL the criteria in either Section A or Section B; only one section shall be completed per case.

(1) Completed CHP 735s, Incident Response Reimbursement Statements, based on Section A (refer to Annex B) shall be forwarded to Fiscal Management Section (FMS), Reimbursable Services Unit, within ten business days of one of the following dates:

(a) The date BAC results of .08% or greater are received.

(b) The date BAC results of .04% or greater are received for a commercial driver.

(2) Completed CHP 735s, Incident Response Reimbursement Statements, based on Section B (refer to Annex C) shall be forwarded to FMS, Reimbursable Services Unit, within ten business days of the notification of a conviction of CVC Sections 23152, 23153, or greater offense as a result of one of the following:

(a) In the case of a refusal.

(b) An arrest for drugs only.

(c) A BAC of less than .08%.

c. Defendant. Include the offender's name and address, date of birth, arrest date, social security number (if available), and driver's license number.

NOTE: If the defendant is a transient, log on the CHP 735A, Case Log - DUI Cost Recovery Program (refer to Annex D), but DO NOT forward CHP 735, Incident Response Reimbursement Statement, to FMS.

d. Court. Include the name of the court, court case number, and conviction date (if applicable).

e. Recording Total Staff Hours. Record the total number of staff hours involved in the incident response.

(1) Record staff hours to the nearest ten minutes. For example: one hour, thirty minutes = 1:30.

NOTE: Half-hour increments are recorded as: 30 not: 50.

(2) Record the number of staff involved in the incident response.

(a) When only one officer is involved, write his/her name and ID number under each respective category along with the appropriate hours.

(b) When more than one officer is involved, list each one by name and ID number next to the applicable activity, then record the hours for each activity. FormFlow will add all officer hours and total them in the Total Hours column. If the number of officers per activity exceeds the number of lines available, record the information under Traffic Control.

(c) The number of staff hours charged on the CHP 735, Incident Response Reimbursement Statement, must agree with the appropriate CHP 415, Daily Field Record. Area offices must be able to verify the hours claimed on the CHP 735, Incident Response Reimbursement Statement, when offenders challenge the hours billed. If an Area office cannot substantiate the hours billed, the Department cannot recover incident costs. In order to reconcile the hours, please ensure the following information is included:

1 Offender's name and court case number shall be included on the CHP 415, Daily Field Record.

2 When time recorded under a specific category (e.g., Accident Investigation, Partner Assist, Response Time) on the CHP 415, Daily Field Record, includes more than one activity, indicate the billable DUI time in the Notes portion on the CHP 415, Daily Field Record.

f. Staff Activity (Officer). The following activities will be included in total staff time billing for which offenders are liable:

- (1) Response Time.
- (2) On-Scene Investigation.
- (3) Follow-up Investigation.
- (4) Report Writing.
- (5) Vehicle Storage.
- (6) Call Back.
- (7) Field Sobriety Testing.

(8) Transportation.

(9) Booking.

(10) Chemical Testing.

(11) Traffic Control.

g. Other Involved Staff. Include time expended for incident investigation, vehicle storage, or in-custody activity by officers-in-charge, sergeants, lieutenants, or captains. Do not include their supervision time for these activities.

h. Total Hours. FormFlow will add all hours and minutes charged to the incident and record them in the appropriate box at the bottom of the Total Hours column.

i. Total Costs. FormFlow will multiply the number of response hours and minutes times the current hourly rate and enter the amount in the appropriate box. The hourly rates are sent out to all Area offices via Comm-Net from FMS."

**Recommendation:** The command should complete their DUI Cost Recovery Program documents accurately to comply with departmental policy.

**FINDING 4:** **The command did not always submit CHP 735, Incident Response Reimbursement Statement billing packages to FMS in a timely manner.**

**Condition:** From a population universe of 25 CHP 735 documents and corresponding CHP 415 documents, all 25 documents were selected for audit testing. In four instances (17 percent), the command did not send the CHP 735 billing package to FMS within 10 business days of the receipt of the blood alcohol content (BAC) results received date and/or the notification of the conviction of California Vehicle Code Sections 23152, 23153, or greater offense.

**Criteria:** GC Section 13403(a)(3), (4), and (6) articulates the elements of a satisfactory system of internal accounting and administrative control, shall include, but are not limited to, the following: A system of authorization and recordkeeping procedures adequate to provide effective accounting control over assets, liabilities, revenues, and expenditures; an established system of practices to be followed in performance of duties and functions in each of the state agencies; and an effective system of internal review.

HPM 11.1, Administrative Procedures Manual, Chapter 20, Driving Under the Influence (DUI) Cost Recovery Program, paragraph 4.b.(2) states,

“(2) Completed CHP 735s, Incident Response Reimbursement Statements, based on Section B (refer to Annex C) shall be forwarded to FMS, Reimbursable Services Unit, within ten business days of the notification of a conviction of CVC Sections 23152, 23153, or greater offense as a result of one of the following:

(a) In the case of a refusal.

(b) An arrest for drugs only.

(c) A BAC of less than .08%.”

**Recommendation:** The command should submit billing packages to FMS in a timely manner to comply with departmental policy for the DUI Cost Recovery Program.

## CONCLUSION

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Based on the review of the command's operation, this audit revealed the command has adequate operations. However, some issues were observed. This report presents suggestions for management to improve on some of its operations. In doing so, operations would be strengthened and the command would operate in accordance with departmental policies and procedures.



# **ANNEX**

## **A**

**M e m o r a n d u m**

Date: July 20, 2010

To: Office of Inspections

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**  
Northern Division

File No.: 101.11279

Subject: RESPONSE MEMORANDUM - ALTURAS AREA

As requested, Alturas Area prepared the attached response memorandum to the DUI Cost Recovery Program and Asset Forfeiture Program audit, which was conducted by the Office of Inspections in September 2009. Alturas Area agreed with all four of the discrepancies noted by your office and has taken appropriate action to correct them.

Northern Division concurs with Alturas Area's response and respective corrective actions. Please contact Northern Division Lieutenant Todd Morrison at (530) 225-2715, should you have any questions or need further assistance.



C. D. JENKINS  
Chief

Attachment

*Safety, Service, and Security*

# **ANNEX**

## **B**

**M e m o r a n d u m**

Date: May 26, 2010

To: Office of the Assistant Commissioner, Inspector General

From: **DEPARTMENT OF CALIFORNIA HIGHWAY PATROL**  
Alturas Area

File No.: 170.13216.11171

Subject: RESPONSE TO COMMAND INSPECTION REPORT

In response to the Command Inspection of the Alturas Area by Inspector General Personnel, the following corrections were made to the Alturas Area's procedures for the Asset Forfeiture and Driving Under the Influence (DUI) Cost Recovery Programs.

**FINDINGS REQUIRING FOLLOW-UP:**

**Finding 1 - Agree.** *The command did not maintain their Memorandums of Understanding (MOU) with local allied law enforcement agencies.*

- Pending Correction - Until recently, the Alturas Area has supported the Modoc County Interagency Narcotics Task Force (MCINTF) with numerous resources including a vehicle, a full-time CHP Officer and the Alturas Area Commander representing the Department as a member of the MCINTF Board of Directors.

In the past year, the MCINTF did not meet evidence administration standards after an in-depth review by CHP personnel. It was further discovered that the MCINTF failed to maintain appropriate control of asset forfeiture funds as required by law. Both Alturas Area and Division command staff frequently met with the MCINTF members in an attempt to resolve the task force's deficiencies without success.

Until Modoc County Sheriff's Department agrees to meet basic evidence and asset forfeiture standards as required by law, the Alturas Area is unable to sign an MOU with MCINTF. The Alturas Area and Northern Division command staff will continue to work with representatives of the Modoc County Sheriff's Department to develop an MOU that meets CHP standards.

*Safety, Service, and Security*

May 26, 2010

**Finding 2 - Agree.** *The command did not prepare CHP 415, Daily Field Record, documents properly for the DUI Cost Recovery Program.*

- Corrected - Inspection Staff determined that the court case number was not recorded on several CHP 735 and corresponding CHP documents. Area staff implemented procedures to ensure the CHP 735 and corresponding CHP documents include the court case number. Area staff reviewed past cases and recorded the requisite information as described in the Command Audit Report.

**Finding 3 - Agree.** *The command did not always ensure the accuracy of their DUI Cost Recovery Program.*

- Corrected - As in Finding 2, Inspection Staff determined that the court case number was not recorded on several CHP 735 and corresponding CHP documents. Area staff implemented procedures to ensure the CHP 735 and corresponding CHP documents include the court case number. Area staff reviewed past cases and recorded the requisite information as described in the Command Audit Report.

**Finding 4 - Agree.** *The command did not always submit CHP 735, Incident Response Reimbursement Statement, billing packages to FMS in a timely manner.*

- Corrected - Additional training was provided to Area officers, supervisors and clerical staff to stress the importance of recognizing the elements of DUI Cost Recovery and timely submission of reports.

If you have questions or concerns related to this response, please contact Lt Mark Moriarity or Sergeant Joe Edwards at the Alturas Area at (530) 233-2919.



M. P. MORIARITY, Lieutenant  
Commander